(Convenience translation into English from the original previously issued in Portuguese)

CIMENTO TUPI S.A.

Independent auditor's review report

Individual and consolidated interim financial information
As at March 31, 2019

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Contents

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INDIVIDUAL AND CONSOLIDATED INTERIM FINANCIAL INFORMATION

To the
Shareholders and Management of
Cimento Tupi S.A.
Rio de Janeiro - RJ

Introduction

We have reviewed the individual and consolidated interim financial information of Cimento Tupi S.A. (the Company) and controlled companies, for the quarter ended March 31, 2019, which comprises the statement of financial position as at March 31, 2019, and the respective statements of operations, comprehensive income (loss), changes in equity (deficit) and cash flows for the three-month period then ended, as well as the corresponding notes to the quarterly information, including a summary of significant accounting policies.

The Company's Management is responsible for the preparation of the interim financial information in accordance with Technical Pronouncement CPC 21 (R1) – Interim Financial Information and International Accounting Standard (IAS) 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of this interim financial information in accordance with the Brazilian accounting practices. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of the review

We conducted our review in accordance with Brazilian and international standards for reviewing interim information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity). An interim review consists principally of applying analytical and other review procedures, and making enquiries of and having discussions with persons responsible for financial and accounting matters. An interim review is substantially less in scope than an audit conducted in accordance with auditing standards. An interim review does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit. Accordingly, we do not express such an audit opinion.

Basis for qualified conclusion on the individual and consolidated interim financial information

Deferred Income and Social Contribution Taxes

As mentioned in Note 18, the Company has the amount of R$ 135,285 thousand recorded under the caption Deferred Income and Social Contribution Taxes, of which the amounts of R$ 99,475 thousand and R$ 35,810 thousand, respectively, refer to deferred Income and Social Contribution Taxes recognized on Income and Social Contribution tax losses. As required by Technical Pronouncement No. 32 (CPC 32), the Company shall recognize a deferred tax asset as it is probable the existence of taxable income against which the mentioned asset can be used. The Company's Management presented a feasibility study on the realization of these credits considering assumptions of future cash generation different from R$ 80,194 thousand of those usually adopted in the market.

Therefore, given the circumstances, we were unable to conclude on the realization of the respective amounts, as well as on the possible effects that may affect the individual and consolidated financial statements.

Qualified conclusion on the individual and consolidated interim financial information

Based on our review, except for the effects of the matter described in the section "Basis for qualified conclusion on the individual and consolidated interim financial information", we are not aware of any fact that leads us to believe that the interim financial information referred to above has not been prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34.

Emphasis

Material uncertainty as to going concern

We draw attention to Notes 1 and 13, which indicate that the Company did not pay the interest of certain debts during 2015, 2016, 2017, 2018 and in the first quarter of 2019, thus allowing the creditors to declare these debts as overdue.

These debts that may be considered overdue was classified in current liabilities as at March 31, 2019, in the amount of R$ 1,418,937 thousand. On that date, consolidated current liabilities exceeded consolidated current assets by R$ 1,471,352 thousand and consolidated equity is negative in the amount of R$ 1,214,024 thousand in the quarter then ended. These conditions indicate significant uncertainties which may raise relevant doubt regarding the Company's going concern. The interim financial information was prepared assuming the Company's continuity as going concern, which is directly related to the success in the implementation of the plans and renegotiation of the terms to pay the debts mentioned in Note 1. The interim financial information has no adjustments to cover the noncontinuity of the Company as a going concern. Our conclusion is not qualified in respect of this matter.

Other matters

Statements of value added

We have also reviewed the statements of value added for the three-month period ended March 31, 2019, prepared under the responsibility of the Company's Management, whose presentation in the interim financial information is not required by the Brazilian Corporate law for closely-held companies, and considered supplementary information by the IFRS, which do not require the presentation of the statement of value added. These statements were submitted to the same review procedures previously described and based on our review, we are not aware of any fact that would lead us to believe that they have not been fairly stated, in all material respects, in relation to the individual and consolidated interim financial information taken as a whole.

Audit and review of the previous year's and quarter's amounts

The interim financial information mentioned in the first paragraph includes financial information corresponding to income (loss), comprehensive income (loss), changes in equity, cash flows and added value for the quarter ended March 31, 2018, obtained from its quarterly information of that comparative quarter, and to the statements of financial position as at December 31, 2018, obtained from the financial information as at December 31, 2018, presented for comparison purposes.

The review of the quarterly information for the quarter ended March 31, 2018, and the audit of financial information for the year ended December 31, 2018, were conducted under our responsibility, and our report thereon, dated June 13, 2018 and June 24, 2019, respectively, included paragraphs on material uncertainty as to going concern and was qualified regarding external confirmations and deferred Income and Social Contribution Taxes on the financial statements as at December 31, 2018.

The accompanying financial statements have been translated into English for the convenience of readers outside Brazil.

Rio de Janeiro, August 13, 2019.

BDO RCS Auditores Independentes SS
CRC 2 SP 013846/F

Fernando Pereira da Silva Marques
Accountant CRC 1 RJ 092490/O-3

Cimento Tupi S.A.

Statements of financial position
As at March 31, 2019 and December 31, 2018
(In thousands of Brazilian Reais)

	Parent company		Consolidated	
	03/31/2019	12/31/2018	03/31/2019	12/31/2018
Assets				
Current				
Cash and cash equivalents (Note 5)	383	1,451	1,676	2,376
Accounts receivable (Note 6)	19,308	17,094	19,308	17,111
Inventories (Note 7)	42,712	38,573	60,301	56,124
Recoverable taxes (Note 8)	9,878	9,509	10,622	10,252
Notes receivables (Note 9)	-	-	3,414	3,386
Advances to suppliers	799	1,011	1,396	1,584
Receivables from third parties	4,253	4,260	4,253	4,260
Other current assets	1,510	1,146	2,104	1,666
Total current assets	78,843	73,044	103,074	96,759
Noncurrent				
Notes receivables (Note 9)	6,130	6,035	6,130	6,035
Receivables from third parties	1,949	1,949	1,949	1,949
Related-party transactions (Note 14)	1,099	-		-
Recoverable taxes (Note 8)	5,767	5,588	5,767	5,588
Deferred Income and Social Contribution Taxes (Note 18)	58,741	61,146	58,741	61,146
Court deposits (Note 18)	9,148	8,870	9,341	9,063
Investments				
Subsidiaries (Note 10)	82,167	82,741	-	-
Other investments	-	-	249	249
Fixed assets (Note 11)	554,322	557,884	581,025	585,058
Intangible assets (Note 12)	129,223	129,290	149,779	149,819
Total noncurrent assets	848,546	853,503	812,981	818,907
Total assets	927,389	926,547	916,055	915,666

The accompanying notes are an integral part of this interim financial information.

Cimento Tupi S.A.

Statements of financial position
As at March 31, 2019 and December 31, 2018
(In thousands of Brazilian Reais)

	Parent company		Consolidated	
	03/31/2019	12/31/2018	03/31/2019	12/31/2018
Liabilities				
Current				
Loans and financing (Note 13)	1,418,937	1,376,801	1,418,937	1,376,801
Trade accounts payable	32,869	26,146	33,331	27,568
Salaries and social charges	15,003	12,935	15,789	13,480
Income and Social Contribution taxes payable	-	-	10	11
Accounts payable – Related parties (Note 14)	16,114	16,173	-	-
Taxes payable (Note 16)	79,236	72,434	80,164	73,229
Taxes in installments (Note 15)	12,610	12,860	13,177	13,327
Notes payable	890	890	890	890
Other accounts payable	12,108	5,653	12,128	5,673
Total current liabilities	1,587,767	1,523,892	1,574,426	1,510,979
Noncurrent				
Loans and financing (Note 12)	527,726	488,774	527,726	488,774
Taxes in installments (Note 15)	19,876	18,461	21,612	19,872
Provision for contingencies (Note 19)	709	709	709	709
Other accounts payable	5,385	5,385	5,606	5,956
Total noncurrent liabilities	553,696	513,329	555,653	515,311
Equity (Note 17)				
Capital stock	298,809	298,809	298,809	298,809
Capital reserves	11,685	11,685	11,685	11,685
Accumulated losses	(1,524,568)	(1,421,168)	(1,524,568)	(1,421,168)
Total equity attributable to controlling shareholders	(1,214,074)	(1,110,674)	(1,214,074)	(1,110,674)
Non-controlling interest	-	-	50	50
Total equity	(1,214,074)	(1,110,674)	(1,214,024)	(1,110,624)
Total liabilities and equity	927,389	926,547	916,055	915,666

The accompanying notes are an integral part of this interim financial information.

Cimento Tupi S.A.

Statements of operations
For the quarters ended March 31, 2019 and 2018
(In thousands of Brazilian Reais, except earnings/losses per share stated in Brazilian Reais)

	Parent company		Consolidated	
	03/31/2019	03/31/2018	03/31/2019	03/31/2018
Net operating revenue (Note 22)	52,294	50,498	51,090	49,104
Cost of products sold	(57,866)	(53,312)	(57,164)	(52,556)
Gross loss	(5,572)	(2,814)	(6,074)	(3,452)
Operating expenses				
Selling	(2,670)	(2,243)	(2,670)	(2,243)
General and administrative (Note 23)	(6,600)	(6,323)	(6,768)	(6,752)
Other operating revenues (expenses), net (Note 24)	(1,562)	2,023	(1,498)	2,642
	(10,832)	(6,543)	(10,936)	(6,353)
Operating income (loss) before equity in earnings (losses) of subsidiaries and financial income (loss)	(16,404)	(9,357)	(17,010)	(9,805)
Equity in earnings (losses) of subsidiaries (Note 10)	(574)	(677)	-	-
Financial income (loss) (Note 25)				
Financial expenses	(84,433)	(33,961)	(84,436)	(34,004)
Financial revenues	416	581	464	750
	(84,017)	(33,380)	(83,972)	(33,254)
Income (loss) before Income and Social Contribution taxes	(100,995)	(43,414)	(100,982)	(43,059)
Income and Social Contribution Taxes (Note 18)	(2,405)	(633)	(2,418)	(679)
Minority interest	-	-	-	(309)
Loss for the period	(103,400)	(44,047)	(103,400)	(44,047)
Loss attributable to:				
Controlling shareholder	(103,400)	(44,047)	(103,400)	(43,738)
Noncontrolling shareholder	-	-	-	(309)
Basic and diluted losses per share (Note 16)				
Preferred shares	(4.3841)	(29.1124)	-	-
Common shares	(4.3841)	(29.1124)	-	-

The accompanying notes are an integral part of this interim financial information.

Cimento Tupi S.A.

Statements of comprehensive income (loss)
For quarters ended March 31, 2019 and 2018
(In thousands of Brazilian Reais)

	Parent company		Consolidated	
	03/31/2019	03/31/2018	03/31/2019	03/31/2018
Loss for the period	(103,400)	(44,047)	(103,400)	(44,047)
Other comprehensive income (loss) that will not be				
Exchange rate gains on investment abroad (Note 10)	-	23	-	23
Total comprehensive income (loss), net of taxes	(103,400)	(44,024)	(103,400)	(44,024)
Attributable to				
Controlling shareholder	(103,400)	(44,024)	(103,400)	(44,024)
Noncontrolling shareholder	-	-	-	-

The accompanying notes are an integral part of this interim financial information.

Cimento Tupi S.A.

Statements of changes in equity
For the quarters ended March 31, 2019 and 2018
(In thousands of Brazilian Reais)

	Capital stock	Treasury shares	Capital reserve Goodwill on share subscriptions	Asset and liability valuation adjustment	Accumulated losses	Controlling interest	Noncontrolling interest	Total
As at December 31, 2017	279,891	(25,999)	11,685	3,258	(612,085)	(343,250)	11,566	(331,684)
Capital increase	16,000	-	-	-	-	16,000	-	16,000
Translation adjustment for the year	-	-	-	23	-	23	-	23
Loss for the quarter	-	-	-	-	(44,047)	(44,047)	-	(44,047)
Cancellation of treasury shares	-	25,999	-	-	(25,999)	-	-	-
Minority interest write-off through investment disposal	-	-	-	-	-	-	(11,516)	(11,516)
As at March 31, 2018	295,891	-	11,685	3,281	(682,131)	(371,274)	50	(371,224)
As at December 31, 2018	298,809	-	11,685	-	(1,421,168)	(1,110,674)	50	(1,110,624)
Loss for the period	-	-	-	-	(103,400)	(103,400)	-	(103,400)
As at March 31, 2019	298,809	-	11,685	-	(1,524,568)	(1,214,074)	50	(1,214,024)

The accompanying notes are an integral part of this interim financial information.

Cimento Tupi S.A.

Statements of cash flows
For the quarters ended March 31, 2019 and 2018
(In thousands of Brazilian Reais)

	Parent company		Consolidated	
	03/31/2019	03/31/2018	03/31/2019	03/31/2018
Operating activities				
Income (loss) before Income and Social Contribution taxes	(100,995)	(43,414)	(100,982)	(43,059)
Adjustments from				
Depreciation/ amortization	5,004	5,092	5,410	5,413
Write-off of fixed assets	427	-	456	76
Equity in earnings (losses) of subsidiaries	574	677		-
Exchange rate gains (losses) on foreign and intercompany loans	7,252	4,517	7,252	4,509
Adjustment to present value	(66)	1,839	(66)	1,839
Fines and interest on assets	(29)	(170)	(58)	(735)
Fines and interest on liabilities	76,274	25,751	76,308	25,751
Amortization of loan costs	62	1,235	62	1,235
Allowance for doubtful accounts	100	131	100	131
	(11,397)	(4,342)	(11,518)	(4,840)
(Increase) /decrease in asset accounts				
Accounts receivable	(2,314)	(4,034)	(2,297)	(4,032)
Notes receivable	-	(4,440)	-	21,836
Recoverable taxes	(15,283)	(16,893)	(15,835)	(16,468)
Inventories	(4,138)	(2,058)	(4,177)	(2,093)
Advances to suppliers	212	519	188	511
Other assets	(357)	3,425	(431)	604
Court deposits	(278)	(62)	(279)	(56)
Increase /(decrease) in liability accounts				
Trade accounts payable	6,720	2,268	5,764	(2,851)
Tax liabilities	22,452	21,664	23,513	21,290
Salaries and social charges	2,069	41	2,309	87
Interest paid on loans	(222)	(580)	(222)	(580)
Change in minority interest	-	-	-	(11,825)
Other liabilities	6,455	(721)	6,106	(1,083)
Cash flows from operating activities	3,919	(5,213)	3,121	500
Investing activities				
Acquisition of fixed assets	(2,079)	(2,594)	(2,079)	(2,954)
Disposal of fixed assets	-	88	36	88
Acquisition of investments	-	(3,311)	-	-
Disposal of investments	-	9,466	-	-
Acquisition of intangible assets	-	-	(28)	(44)
Indemnity of loss	278	-	278	-
Receipt of dividends	-	2,359	-	-
Cash flows from investing activities	(1,801)	6,008	(1,793)	(2,910)
Financing activities				
Advance for future increase in capital - Payment from related parties	(1,158)	(634)	-	-
Receipt from related parties	-	1,057	-	328
Paid loans and financing	(2,028)	(2,413)	(2,028)	(2,413)
Cash flows from financing activities	(3,186)	(1,990)	(2,028)	(2,085)
Use of cash and cash equivalents	(1,068)	(1,195)	(700)	(4,495)
Cash and cash equivalents at beginning of year	1,451	1,740	2,376	5,462
Cash and cash equivalents at end of year	383	545	1,676	967

The accompanying notes are an integral part of this interim financial information.

Cimento Tupi S.A.

Statements of value added
Quarters ended March 31, 2019 and 2018
(In thousands of Brazilian Reais)

	Parent company		Consolidated	
	03/31/2019	03/31/2018	03/31/2019	03/31/2018
Revenues				
Gross operating revenue	71,196	68,723	71,289	68,723
Sales returns	(185)	(141)	(185)	(141)
Allowance for doubtful accounts	-	(131)	-	(131)
Other operating revenues/(expenses), net	-	587	-	590
	71,011	69,038	71,104	69,041
Inputs acquired from third parties				
Costs of goods sold	(45,496)	(43,763)	(44,019)	(42,427)
Materials, energy, third-party services and others	(20,500)	(14,508)	(20,545)	(14,007)
Gross value added	5,015	10,767	6,540	12,607
Withholdings				
Depreciation and amortization	(5,004)	(5,093)	(5,410)	(5,413)
Net generated value added	11	5,674	1,130	7,194
Value added received in transfer				
Equity in earnings (losses) of subsidiaries	(574)	(677)	-	-
Financial revenues	416	581	464	750
Deferred Income and Social Contribution taxes	(2,405)	(633)	(2,405)	(633)
Total value added to be distributed	(2,552)	4,945	(811)	7,311
Controlling shareholders	(2,552)	4,945	(811)	7,311
Noncontrolling shareholders	-	-	-	(309)
Value added distribution				
Personnel and charges	9,940	9,889	10,260	10,179
Taxes, fees and contributions	5,876	4,682	7,285	6,401
Interest and rents	85,032	34,421	85,044	34,469
Loss for the year	(103,400)	(44,047)	(103,400)	(44,047)
Value added distributed	(2,552)	4,945	(811)	7,002

The accompanying notes are an integral part of this interim financial information.

1. Operations

Cimento Tupi S.A. ("Cimento Tupi" or the "Company"), headquartered at Av. das Américas, 500, Rooms 205 and 206, Barra da Tijuca, Rio de Janeiro, is engaged in manufacturing cement and mortars of all types in its manufacturing plants located in Volta Redonda (RJ), Pedra do Sino (MG) and Mogi das Cruzes (SP), mining mineral reserves and using substances extracted during cement manufacturing, providing concreting services and holding interest in other companies.

The sharp economic decline in the country generated a significant impact on cement sector that, since 2014, has been facing progressive drops in volume and sale prices. In addition, the Company's debt in foreign currency exposed the Company to foreign exchange volatility.

Despite the Brazilian crisis, Cimento Tupi has implemented a series of measures to reduce costs and renegotiate its debts and; accordingly, has maintained its operating activities.

As announced by SNIC (National Cement Industry Union) in December 2018, there is a projection of growth of cement sales for 2019 close to 3%, arising from the increase in the industry confidence index recorded in the country and, regarding real estate construction, from new rule in the cancellation of contract in purchase of real estate that could bring greater security to investments and boost new launches.

Regarding its indebtedness, the Company renegotiated part of its debts in domestic currency in 2018, through the amendments entered into with flexible payment flow and extension of maturities, and has renegotiated other debts, including in foreign currency, with other creditors.

The Company also has some non-operating assets, such as mines in Adrianópolis, Formosa and Mossoró, whose disposal in the reorganization process is being evaluated by Management.

The continuity of the Company's operations depends on success of Management and its advisors in reorganizing the Company's debt and capital structure, as well as on confirmation of Cimento Tupi's Management and Shareholders' expectations regarding income and cash flows to be generated in its operation, based on the improvement in the economic scenario of cements in the market as from 2019.

In February 2019, the Company obtained a favorable decision in the arbitration proceeding against Companhia Siderúrgica Nacional – CSN, sentencing the later to pay approximately R$ 16 million.

As at March 31, 2019, net current capital ("CCL") is negative by approximately R$ (1,471,352) (2018 – CCL, negative by R$ 1,414,220).

2. Presentation of interim financial information and main accounting practices

The interim financial information has been prepared assuming that the Company will continue as a going concern, and has been approved by the Board of Directors on August 13, 2019.

The Company's individual and consolidated financial statements were and are presented in accordance with the Brazilian accounting practices and with the pronouncements issued by the Committee of Accounting Pronouncements (CPC), in conformity with the international accounting standards issued by the International Accounting Standards Board (IASB). The consolidated financial statements present comparative information in relation to the previous year.

The financial information was prepared based on the historical cost, except for certain financial instruments measured at fair value through income (loss).

Items included in the financial information of each of the companies are measured using the currency of the primary economic environment in which the Company operates ("functional currency"). The individual and consolidated information is presented in thousands of Brazilian Reais (R$ thousand), which is the Company's functional and reporting currency.

The financial information has been prepared in accordance with various valuation bases used for accounting estimates. The accounting estimates involved in the preparation of financial information were based on objective and subjective factors and Management's judgment to determine the proper amount to be recorded in the financial information. Relevant items subject to estimates include: Allowance for doubtful accounts, provision for obsolescence of inventories, determination of useful life of fixed asset items, deferred Income and Social Contribution Taxes, provision for contingencies, and measurement of fair value of financial instruments. Transaction settlement involving those estimates may result in amounts significantly different from those recorded in the financial information, due to the inherent inaccuracy of the estimates. The Company reviews these estimates and assumptions at least once a year.

Summary of the main accounting practices and estimates

The accounting practices used in the preparation of this individual and consolidated quarterly information are consistent with the ones used for the preparation of the financial statements as at December 31, 2018.

3. New standards, amendments and interpretations of standards

IFRS 16 - Lease transactions - (CPC 06 (R2))

This standard replaces the prior standard on leases, IAS 17/CPC 06 (R1), and related interpretations, and establishes the principles for the recognition, measurement, presentation and disclosure of leases for both parties of an agreement, that is, the clients (lessees) and suppliers (lessors). The lessees are required to recognize a lease liability reflecting future payments of the lease and a "right of use of an asset" for basically all lease agreements, except for certain short-term leases and agreements for low-value assets.

For the lessors, the accounting treatment basically remains the same with classification of the leases as operating or finance, and accounting for those two types of lease agreements in a different manner. The new standard is applicable as from January 01, 2019.

Management evaluated the impacts of IFRS 16 and concluded that its adoption did not affect the financial statements.

ICPC 22 - Uncertainty over Income Tax treatment

The new interpretation establishes requirements for recognition and measurement in situations where the Company has defined, during the process of calculating taxes on income (Income and Social Contribution Taxes), the use of uncertain tax treatments that may be questioned by the tax authority.

In situations where some treatments are uncertain, the Company shall define the probability of acceptance of the tax authorities related to them, and present them separately, identifying possible contingencies if it is concluded that the tax authority will not accept such treatment.

Management evaluated the impacts of the new standard and concluded that its adoption did not affect the financial statements.

4. Group companies

The financial information includes the statements of Cimento Tupi S.A. and of the subsidiaries listed next, on which the Company holds interest over 20%.

	Ownership interest %			
	Capital stock		Voting capital	
	03/31/2019	12/31/2018	03/31/2019	12/31/2018
Touro Empreendimentos Imobiliários e Participações Ltda.	99.99	99.99	99.99	99.99
Cimento Tupi do Nordeste Ltda.	99.99	99.99	99.99	99.99
Cimento Tupi Overseas Inc.	100.00	100.00	100.00	100.00
CP Cimento Overseas Co.	100.00	100.00	100.00	100.00
Tupi Rio Transportes S.A.	100.00	100.00	100.00	100.00
Tupimec - Indústria Mecânica Ltda.	99.99	99.99	99.99	99.99
Mape Incorporação e Empreendimentos Ltda.	99.99	99.99	99.99	99.99
Tupi Mineradora de Calcário Ltda.	99.88	99.88	99.88	99.88
Britas Arujá Ltda.	99.99	99.99	99.99	99.99

The consolidation process of balance sheet and income (loss) accounts corresponds to the sum of balances in assets, liabilities, income and expenses, according to their nature, plus the following eliminations:

- Ownership interest, reserves and retained earnings.
- Balances of intercompany accounts and other asset and/or liability accounts maintained between the companies whose statements of financial position were included in consolidation.
- Balances of intercompany revenues and expenses.

- Effects from material intercompany transactions.

The periods of the financial information of consolidated subsidiaries coincide with that of the Company. Accounting practices were consistently applied by all consolidated companies.

5. Cash and cash equivalents and financial investments

	Parent company		Consolidated	
	03/31/2019	12/31/2018	03/31/2019	12/31/2018
Cash and banks	64	965	66	973
CDB – Bank Certificates of Deposit	305	472	1,596	1,389
Public debt security funds	14	14	14	14
Cash and cash equivalents	383	1,451	1,676	2,376

CDBs refer to investments whose yields approximate CDI (Interbank Deposit Certificates) variation.

Public debt securities refer to investments in Banco Santander, represented by Public Securities' Funds -DI.

The highest remuneration of financial investments listed above is 96% of CDI.

6. Accounts receivable

	Parent company		Consolidated	
	03/31/2019	12/31/2018	03/31/2019	12/31/2018
Notes receivable	27,739	25,425	27,739	25,442
Allowance for doubtful accounts	(8,431)	(8,331)	(8,431)	(8,331)
	19,308	17,094	19,308	17,111

The changes in the allowance for doubtful accounts during the quarters ended March 31, 2019 and 2018, are as follows:

Balances as at December 31, 2018	(8,331)
(+) Complement of the allowance for doubtful accounts	(100)
(-) Write-off for loss	-
Balances as at March 31, 2019	(8,431)
Balances as at December 31, 2017	(7,864)
(+) Complement of the allowance for doubtful accounts	(131)
(-) Credit receipt	137
Balances as at March 31, 2018	(7,858)

The Company recognizes this allowance based on the history of its expected losses monitored by Management and at an amount deemed sufficient to cover probable losses on the realization of accounts receivable.

Consolidated accounts receivable balance per maturity is as follows:

	Parent company		Consolidated	
	03/31/2019	12/31/2018	03/31/2019	12/31/2018
Falling due	16,113	14,804	16,113	14,821
Overdue up to 90 days	2,490	2,137	2,490	2,137
Overdue between 91 and 180 days	705	153	705	153
Overdue for more than 180 days	8,431	8,331	8,431	8,331
	27,739	25,425	27,739	25,442

7. Inventories

	Parent company		Consolidated	
	03/31/2019	12/31/2018	03/31/2019	12/31/2018
Finished goods	4,316	3,366	4,738	3,754
Work in process	3,732	3,191	3,732	3,191
Raw material - slag	8,277	7,724	8,277	7,724
Raw material - coke	1,684	1,295	1,684	1,295
Other raw materials	5,835	4,843	5,835	4,843
Materials for maintenance and consumption	17,484	16,924	17,484	16,924
Inventory in transit	1,384	1,230	1,384	1,230
Land for sale (i)	-	-	17,167	17,163
	42,712	38,573	60,301	56,124

(i) Refers to inventories of plots of land for sale belonging to subsidiaries Mape Incorporação e Empreendimentos Ltda. and Touro Empreendimentos Imobiliários e Participações Ltda., which are expected to be negotiated in the next 12 months.

8. Recoverable taxes

	Parent company		Consolidated	
	03/31/2019	12/31/2018	03/31/2019	12/31/2018
Current assets				
ICMS (State VAT)	5,107	5,037	5,107	5,037
Income Tax/Social Contribution Tax	9	8	49	46
PIS/COFINS (Taxes on Sales)	4	-	708	705
IPI (Federal VAT)	4,424	4,020	4,424	4,020
Others	334	444	334	444
	9,878	9,509	10,622	10,252
Noncurrent assets				
ICMS	5,767	5,588	5,767	5,588
	5,767	5,588	5,767	5,588

9. Notes receivable

	Parent company		Consolidated	
	03/31/2019	12/31/2018	03/31/2019	12/31/2018
Seival Sul Mineração S.A. (i)	3,276	3,247	3,276	3,247
Ano Bom Incorp. e empreendimentos S.A. (ii)	-	-	2,527	2,499
Agemar Empreendimentos e Participações Ltda. (iii)	4,440	4,440	4,440	4,440
Adjustment to present value	(1,586)	(1,652)	(1,586)	(1,652)
Others		-	887	887
	6,130	6,035	9,544	9,421
Current assets	-	-	3,414	3,386
Noncurrent assets	6,130	6,035	6,130	6,035

(i) It refers to balance receivable from the sale of shares of Companhia Nacional de Mineração Candiota, in four annual installments, maturing from July 2019 to July 2022 and adjusted at Consumer Price Index (INPC)-positive variation.

(ii) It refers to balance receivable from the sale of a property in Barra Mansa, state of Rio de Janeiro, by the subsidiary Mape.

(iii) Sale of the subsidiary Suape Granéis do Nordeste Ltda at the total price of R$ 9,645. The amount of R$ 4,440 matures on 12/31/2023.

10. Investments in subsidiaries

a) Statements on main subsidiaries

	03/31/2019					12/31/2018				
	Mape Incorporação e Empreendimentos Ltda.	Tupimec Indústria Mecânica Ltda.	Tupi Mineradora de Calcário Ltda.	Cimento Tupi do Nordeste Ltda.	CP Cimento Overseas CO.	Mape Incorporação e Empreendimentos Ltda.	Tupimec Indústria Mecânica Ltda.	Tupi Mineradora de Calcário Ltda.	Cimento Tupi do Nordeste Ltda.	CP Cimento Overseas CO.
Ownership interest - %	99,99	99,99	99,88	99,99	-	99,99	99,99	99,88	99,99	-
Equity	36,500	219	40,818	2,224	-	36,524	220	40,838	2,332	-
Income/(loss) for the year	(25)	(1)	(19)	(108)	-	(1,168)	1,663	(451)	(387)	(3)

b) Changes in investments

	03/31/2019								2018
	Mape Incorporação e Empreendimentos Ltda.	Tupimec Indústria Mecânica Ltda.	Tupi Mineradora de Calcário Ltda.	Cimento Tupi do Nordeste Ltda.	CP Cimento Overseas Co.	Suape Granéis do Nordeste Ltda.	Others	Total	Total
Balance at beginning of year	36,522	219	40,789	2,332	-	-	2,879	82,741	99,714
Capital contributions	-	-	-	-	-	-	-	-	6,242
Disposal of investments	-	-	-	-	-	-	-	-	(14,975)
Write-off of appreciation	-	-	-	-	-	-	-	-	(3,655)
Equity in earnings (losses) of subsidiaries	(25)	(1)	(19)	(108)	-	-	(421)	(574)	2,073
Exchange rate gains (losses) on investments	-	-	-	-	-	-	-	-	616
Receipt of dividends	-	-	-	-	-	-	-	-	(5,775)
Capital return	-	-	-	-	-	-	-	-	(56)
Reclassification of liabilities	-	-	-	-	-	-	-	-	(1,443)
Balance at end of year	36,497	218	40,770	2,224	-	-	2,458	82,167	82,741

	03/31/2018								2017
	Mape Incorporação e Empreendimentos Ltda.	Tupimec Indústria Mecânica Ltda.	Tupi Mineradora de Calcário Ltda.	Cimento Tupi do Nordeste Ltda.	CP Cimento Overseas Co.	Suape Granéis do Nordeste Ltda.	Others	Total	Total
Balance at beginning of year	37,690	-	39,157	2,331	4,952	11,517	4,067	99,714	94,294
Capital contributions	-	-	3,311	-	-	-	-	3,311	3,920
Transfer of inventory at cost	-	-	-	-	-	-	-	-	100
Disposal of investments	-	-	-	-	-	(9,466)	-	(9,466)	(4,643)
Equity in earnings (losses) of subsidiaries	(547)	-	(63)	(99)	-	309	(277)	(677)	11,028
Exchange rate gains (losses) on investments	-	-	-	-	23	-	-	23	74
Receipt of dividends	-	-	-	-	-	(2,360)	-	(2,360)	(6,500)
Reclassification to liabilities	-	-	-	-	-	-	53	53	1,441
Balance at end of year	37,143	-	42,405	2,232	4,975	-	3,843	90,598	99,714

Mape Incorporação e Empreendimentos Ltda.

Mape is mainly engaged in developing, administrating, purchasing and selling real estate properties.

Tupimec Indústria Mecânica Ltda.

Tupimec is mainly engaged in manufacturing, trading and exporting mechanical parts and equipment, providing assembling services and related processing services.

Tupi Mineradora de Calcário Ltda.

Tupi Mineradora is an entity in pre-operating stage, mainly engaged in exploring and using mineral reserves in the region of Adrianópolis, state of Paraná.

Cimento Tupi do Nordeste Ltda.

Cimento Tupi do Nordeste is mainly engaged in manufacturing cement, selling, transporting and exporting products and exploring reserves in the region of Mossoró, state of Rio Grande do Norte.

Britas Arujá Ltda.

Britas Arujá is an entity in pre-operating stage established in the first quarter of 2015 and engaged in exploring, using, researching and mining mineral reserves, including granite grit in the country, and in trading the products deriving from such activities.

Touro Empreendimentos Imobiliários e Participações Ltda.

Touro Empreendimentos Imobiliários e Participações is mainly engaged in developing, administrating, purchasing and selling properties.

11. Fixed assets

	Parent company				
	03/31/2019			12/31/2018	
Accounts	Cost	Accumulated depreciation/ depletion	Net	Net	Annual depreciation rates
Plots of land	28,698	-	28,698	28,698	
Buildings	109,578	(24,529)	85,049	85,601	2%
Industrial machinery, equipment and facilities	645,686	(250,832)	394,854	390,134	3.33%
Furniture and fixtures	3,213	(2,867)	346	356	10%
Vehicles	5,165	(4,831)	334	366	20%
Railway wagons	12,914	(2,226)	10,688	10,620	3.33%
Leasehold improvements	875	(482)	393	436	(*)
Machinery and equipment to be installed	2,714	(384)	2,330	2,352	3.33%
Construction in progress	8,688	-	8,688	16,243	
Advances to suppliers	2,024	-	2,024	2,024	
Limestone mines	23,033	(2,297)	20,736	20,851	(**)
Others	5,376	(5,194)	182	203	4% to 20%
	847,964	(293,642)	554,322	557,884	

	Consolidated				
	03/31/2019			12/31/2018	
Accounts	Cost	Accumulated depreciation/ depletion	Net	Net	Annual depreciation rates
Plots of land	53,056	-	53,056	53,056	
Buildings	109,608	(24,542)	85,066	85,617	2%
Industrial machinery, equipment and facilities	646,843	(251,643)	395,200	390,482	3.33%
Furniture and fixtures	3,221	(2,875)	346	357	10%
Vehicles	9,130	(7,455)	1,675	2,175	20%
Railway wagons	12,914	(2,226)	10,688	10,620	3.33%
Leasehold improvements	875	(482)	393	436	(*)
Machinery and equipment to be installed	2,714	(384)	2,330	2,352	3.33%
Construction in progress	8,688	-	8,688	16,243	
Advances to suppliers	2,484	-	2,484	2,484	
Limestone mines	23,033	(2,297)	20,736	20,851	(**)
Others	5,570	(5,207)	363	385	4% to 20%
	878,136	(297,111)	581,025	585,058	

(*) Depreciation of agreement with lease contract terms.
(**) The limestone mines are amortized according to the period of depletion in proportion to the extracted ore.

As at March 31, 2019, the amount of R$ 4,863 (R$ 4,920 as at March 31, 2018), referring to depreciation, was accounted for as cost of goods sold.

As described in Note 12, Management reviewed the net book value of its assets to evaluate impairment, and the recognition of a provision for impairment was not considered necessary.

During the assessment of recoverability of its assets, the Company used the value in use per cash generating unit (CGU) based on projections approved by Management and assumptions consistent with the analysis performed in 2019 and 2018, which consider:

- Review of scenarios for each CGU pursuant to business plans;
- Country macroeconomic scenario;
- Cash flow period compatible with proven mineral reserves, without perpetuity, also including assets with long maturation periods;
- Constant discount rate of 13.92% based on the Weighted Average Cost of Capital ("WACC").

The changes in fixed assets in the quarters ended March 31, 2019 and 2018 were as follows:

	Parent company												
Fixed asset cost	Plots of land	Buildings	Ind. machinery, equip. and facilities	Furniture and fixtures	Vehicles	Railway wagons	Leasehold improvem ents	Machinery and equip. to be installed	Construction in progress	Advances to suppliers	Limestone mines	Others	Total
Balances as at 12/31/2018	28,698	109,578	636,952	3,208	5,145	12,744	875	2,714	16,243	2,024	23,033	5,376	846,590
Additions	-	-	192	5	20	170	-	-	1,692	-	-	-	2,079
Transfers	-	-	8,542	-	-	-	-	-	(8,542)	-	-	-	-
Write-offs	-	-	-	-	-	-	-	-	(705)	-	-	-	(705)
Balances as at 03/31/2019	28,698	109,578	645,686	3,213	5,165	12,914	875	2,714	8,688	2,024	23,033	5,376	847,964

	Parent company												
Depreciation of fixed assets	Plots of land	Buildings	Ind. machinery, equip. and facilities	Furniture and fixtures	Vehicles	Railway wagons	Leasehold improvem ents	Machinery and equip. to be installed	Construction in progress	Advances to suppliers	Limestone mines	Others	Total
Balances as at 12/31/2018	-	(23,977)	(246,818)	(2,852)	(4,779)	(2,124)	(439)	(362)	-	-	(2,182)	(5,173)	(288,706)
Additions	-	(552)	(4,014)	(15)	(52)	(102)	(43)	(22)	-	-	(115)	(21)	(4,936)
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-	-	-	-	-	-		-
Balances as at 03/31/2019	-	(24,529)	(250,832)	(2,867)	(4,831)	(2,226)	(482)	(384)	-	-	(2,297)	(5,194)	(293,642)

	Parent company												
Fixed asset cost	Plots of land	Buildings	Ind. machinery, equip. and facilities	Furniture and fixtures	Vehicles	Railway wagons	Leasehold improvements	Machinery and equip. to be installed	Constructio n in progress	Advances to suppliers	Limestone mines	Others	Total
Balances as at 12/31/2017	28,811	109,578	634,651	3,074	6,886	11,559	903	2,714	14,284	2,193	23,033	5,368	843,054
Additions	-	-	22	-	-	289	-	-	2,273	-	-	11	2,595
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs	-	-	-	-	(702)	-	-	-	-	(169)	-	-	(871)
Balances as at 03/31/2018	28,811	109,578	634,673	3,074	6,184	11,848	903	2,714	16,557	2,024	23,033	5,379	844,778

Depreciation of fixed assets	Parent company												
	Plots of land	Buildings	Ind. machinery, equip. and facilities	Furniture and fixtures	Vehicles	Railway wagons	Leasehold improvements	Machinery and equip. to be installed	Construction in progress	Advances to suppliers	Limestone mines	Others	Total
Balance as at 12/31/2017	-	(21,771)	(231,768)	(2,792)	(5,400)	(1,739)	(271)	(271)	-	-	(1,724)	(5,070)	(266,093)
Additions	-	(552)	(3,898)	(13)	(240)	(93)	(45)	(23)	-	-	(115)	(29)	(5,008)
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs	-	-	-	-	615	-	-	-	-	-	-	-	615
Balance as at 03/31/2018	-	(22,323)	(235,666)	(2,805)	(5,025)	(1,832)	(316)	(294)	-	-	(1,839)	(5,099)	(275,199)

Fixed asset cost	Consolidated												
	Plots of land	Buildings	Ind. machinery, equip. and facilities	Furniture and fixtures	Vehicles	Railway wagons	Leasehold improvements	Machinery and equip. to be installed	Construction in progress	Advances to suppliers	Limestone mines	Others	Total
Balance as at 12/31/2018	53,056	109,608	638,109	3,216	9,247	12,744	875	2,714	16,243	2,484	23,033	5,570	876,899
Additions	-	-	192	5	20	170	-	-	1,692	-	-	-	2,079
Transfers	-	-	8,542	-	-	-	-	-	(8,542)	-	-	-	-
Write-offs	-	-	-	-	(137)	-	-	-	(705)	-	-	-	(842)
Balance as at 03/31/2019	53,056	109,608	646,843	3,221	9,130	12,914	875	2,714	8,688	2,484	23,033	5,570	878,136

Depreciation of fixed assets	Consolidated												
	Plots of land	Buildings	Ind. machinery, equip. and facilities	Furniture and fixtures	Vehicles	Railway wagons	Leasehold improvements	Machinery and equip. to be installed	Construction in progress	Advances to suppliers	Limestone mines	Others	Total
Balance as at 12/31/2018	-	(23,991)	(247,627)	(2,859)	(7,072)	(2,124)	(439)	(362)	-	-	(2,182)	(5,185)	(291,841)
Additions	-	(551)	(4,016)	(16)	(456)	(102)	(43)	(22)	-	-	(115)	(22)	(5,343)
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs	-	-	-	-	73	-	-	-	-	-	-	-	73
Balance as at 03/31/2019	-	(24,542)	(251,643)	(2,875)	(7,455)	(2,226)	(482)	(384)	-	-	(2,297)	(5,207)	(297,111)

Fixed asset cost	Plots of land	Buildings	Ind. machinery, equip. and facilities	Furniture and fixtures	Vehicles	Railway wagons	Leasehold improvements	Machinery and equip. to be installed	Construction in progress	Advances to suppliers	Limestone mines	Others	Total
Balance as at 12/31/2017	51,067	110,281	636,190	3,174	9,911	11,559	903	2,714	14,344	2,913	23,033	5,621	871,710
Additions	-	-	22	-	360	289	-	-	2,273	-	-	11	2,955
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs	-	(15)	-	(1)	(702)	-	-	-	(60)	(169)	-	-	(947)
Balance as at 03/31/2018	51,067	110,266	636,212	3,173	9,569	11,848	903	2,714	16,557	2,744	23,033	5,632	873,718

Consolidated

Depreciation of fixed assets	Plots of land	Buildings	Ind. machinery, equip. and facilities	Furniture and fixtures	Vehicles	Railway wagons	Leasehold improvements	Machinery and equip. to be installed	Construction in progress	Advances to suppliers	Limestone mines	Others	Total
Balance as at 12/31/2017	-	(22,428)	(232,902)	(2,886)	(6,207)	(1,739)	(271)	(271)	-	-	(1,724)	(5,142)	(273,570)
Additions	-	(553)	(3,905)	(13)	(554)	(93)	(45)	(23)	-	-	(115)	(28)	(5,329)
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs	-	-	-	1	615	-	-	-	-	-	-	-	616
Balance as at 12/31/2018	-	(22,981)	(236,807)	(2,898)	(6,146)	(1,832)	(316)	(294)	-	-	(1,839)	(5,170)	(278,283)

12. Intangible assets – Parent Company and Consolidated

	Parent company				Consolidated			
	Goodwill	Mining rights	Others	Total	Goodwill	Mining rights	Others	Total
Balances as at December 31, 2018	93,564	35,143	583	129,290	93,564	55,526	729	149,819
Additions	-	-	-	-	-	27	-	27
Amortization	-	-	(67)	(67)	-	-	(67)	(67)
Balances as at March 31, 2019	93,564	35,143	516	129,223	93,564	55,553	662	149,779

	Parent company				Consolidated			
	Goodwill	Mining rights	Others	Total	Goodwill	Mining rights	Others	Total
Balances as at December 31, 2017	93,564	35,143	845	129,552	93,564	55,404	991	149,959
Additions	-	-	-	-	-	44	-	44
Amortization	-	-	(84)	(84)	-	-	(85)	(85)
Balances as at March 31, 2018	93,564	35,143	761	129,468	93,564	55,448	906	149,918

Impairment test for cash generating units containing goodwill

The goodwill is directly related to the Pedra do Sino (MG) plant. The recoverable value of the assets was calculated based on the Company's cash generating unit: Pedra do Sino Plant. And the methodology used was the discounted cash flow in the useful life of the assets of the cash generating unit. For more details see Note 11.

As a consequence of the impairment test of the Company's assets made on December 31, 2018, the recoverable amount is higher than the book value of the assets. Accordingly, no provision was made for impairment as at March 31, 2019.

13. Loans and financing – Parent Company and Consolidated

	03/31/2019		12/31/2018	
	Current	Noncurrent	Current	Noncurrent
Parent company				
Domestic currency				
Development banks				
BDMG and others with maturity up to 2022	165,505	-	157,836	-
Unrecognized transaction costs	(268)	-	(330)	-
	165,237	-	157,506	-

	03/31/2019		12/31/2018	
Working capital	Current	Noncurrent	Current	Noncurrent
CCBs issued by Bank Credit Suisse, Fibra, Alfa, ABC Brasil and Bank CCB Brasil, with maturity up to 2020	96,562	-	100,611	-
Votorantim S.A., with maturity in Jan/2022	-	22,313	-	22,114
	96,562	22,313	100,611	22,114
	261,799	22,313	258,117	22,114
Foreign Currency				
Notes - US$ 185,000				
Senior Unsecured Notes matured in May/2018	1,072,993	-	1,040,239	-
Agricultural Bank of China - US$ 25,500				
Facility Agreement matured in Feb/2017	70,313	-	69,075	-
Financing				
Tupacta AG – US$ 119,691- maturity in Dec/2028 (i)	-	504,926	-	466,177
Others – maturity up to Sep/2030	13,832	487	9,370	483
	1,157,138	505,413	1,118,684	466,660
Parent company	1,418,937	527,726	1,376,801	488,774
Consolidated	1,418,937	527,726	1,376,801	488,774

(i) If there is maturity or prepayment of the debt before 3 years of the signing of this contract, the amount due shall correspond to the higher of: (a) the debt adjusted under the terms agreed; (b) R$ 650,000 or (c) that equivalent to US$ 165,000.

In 2018, the Company renegotiated part of its debts in domestic currency with Brazilian financial institutions, with flexible payment flow and extension of maturities. Until January 2020, debts with banks Alfa, Banco CCB Brasil, ABC Brasil and Fibra will be settled. The Company is renegotiating its indebtedness with other creditors.

On April 09, 2018, the Company signed an addendum to the Bank Credit Note - CCB, with Banco Fibra S/A, changing the payment condition and extending the maturity to July 2019.

On July 10, 2018, a new amendment to the Bank Credit Note (CCB) was signed with China Construction Bank (Brasil) Banco Múltiplo S/A, changing the payment condition and postponing the maturity to December 2019.

On March 14, 2019, the Company signed an addendum to the Bank Credit Note - CCB, with Banco ABC Brasil S/A, changing the payment condition and postponing the maturity to May 2020.

On September 24, 2018, the Company received a notice that the Bank Credit Notes issued by Banco de Investimentos Credit Suisse (BRASIL) S.A. would have been guaranteed to SPE Geribá Participações SPE-1 Ltda. The access to the documentation brought to the Company doubts as to the regularity of the mentioned guarantee, which is being discussed in court. The Company has not amortized the installments of the mentioned CCBs.

Debt notes (9.75% Senior Unsecured Notes) intended for placement in the international market, totaling US$ 185,000, matured on May 11, 2018. The Company seeks to renegotiate its debt with these creditors in terms adequate to the Company's financial situation and reasonable for all involved parties.

In December 2018, the Company merged its parent company Cimento Santo Estevão e Participações S.A. in order to optimize its current corporate structure and with the consequent reduction in financial and operating costs and rationalization of its activities. With the merger, the Company assumed all rights and obligations of the merged company, including total debt equivalent to R$ 498,144, of which (93.58%) is mainly related to the debt originally assumed through Bradesco Vida e Previdência by Cimento Santo Estevão e Participações S.A., maturing in December 2028.

14. Related-party transactions

	Parent company						
	03/31/2019						12/31/2018
	Tupi Rio Transportes S.A.	Mape Incorporação e Empreendimentos Ltda.	Tupi Mineradora de Calcáreo Ltda.	Touro Empreendimentos Imobiliários e Participações Ltda.	Others	Total	Total
Current assets							
Advance for Future Increase in Capital (AFAC)	18	-	601	381	99	1,099	-
Current liabilities							
Anticipated dividends	-	16,104	-	-	10	16,114	16,173
Transactions							
Cost of goods sold and services rendered	(7,843)	-	-	-	-	(7,843)	(30,658)

Related-party transactions basically refer to intercompany accounts and provision of services and input for production and operation of the entities' businesses.

15. Taxes and contributions in installments

These mainly refer to the installment payment of ICMS of the states of São Paulo, Minas Gerais and Rio de Janeiro.

	Parent company					
	03/31/2019			12/31/2018		
	Principal	Interest/ Fine	Total	Principal	Interest/ Fine	Total
Current liabilities	10,308	2,302	12,610	9,871	2,989	12,860
ICMS (State VAT)	10,081	2,302	12,383	9,275	2,989	12,264
PRT (Tax Regularization Program)	-	-	-	369	-	369
Others	227	-	227	227	-	227
Noncurrent liabilities	16,610	3,266	19,876	13,421	5,040	18,461
ICMS	16,295	3,266	19,561	13,084	5,040	18,124
Others	315	-	315	337	-	337
	26,918	5,568	32,486	23,292	8,029	31,321

	Consolidated					
	03/31/2019			12/31/2018		
	Principal	Interest/ Fine	Total	Principal	Interest/ Fine	Total
Current liabilities	11,088	2,089	13,177	10,270	3,057	13,327
ICMS	10,648	2,089	12,737	9,461	3,057	12,518
PRT	-	-	-	369	-	369
Others	440	-	440	440	-	440
Noncurrent liabilities	18,706	2,906	21,612	14,567	5,305	19,872
ICMS	17,697	2,906	20,603	13,483	5,305	18,788
Others	1,009	-	1,009	1,084	-	1,084
	29,794	4,995	34,789	24,837	8,362	33,199

16. Taxes payable

	Parent company		Consolidated	
	12/31/2019	12/31/2018	03/31/2019	12/31/2018
ICMS	65,508	60,325	65,862	60,733
PIS/COFINS (Taxes on Sales)	12,473	11,162	13,039	11,540
ISS (Tax on services)	636	589	640	594
Others	619	358	623	362
	79,236	72,434	80,164	73,229

17. Equity

a) Capital stock

In the Extraordinary General Meeting (AGE) held on January 24, 2018, the Company's capital stock was increased to the amount of R$ 16,000 through the issuance of common and preferred shares, the cancellation of treasury shares and the stock split of common and preferred shares.

In the Extraordinary General Meeting (AGE) held on September 26, 2018, the Company's capital stock was increased to the amount of R$ 2,918 through the issuance of common and preferred shares.

As at March 31, 2019, capital, fully subscribed and paid-in, is represented by 11,793 common shares and 11,792 preferred shares (as at December 31, 2018, 11,793 common shares and 11,792 preferred shares), with no par value. Preferred shares are not entitled to voting and to receiving minimum or fixed dividends.

b) Capital reserves

Goodwill reserve represents excess value upon issuance or capitalization in relation to the basic share value on issuance date in 1996.

c) Statutory reserve

Established through the recognition of 5% of net income for the year until it reaches 20% of capital stock — limit provided for in corporate law — and may be used to absorb accumulated losses.

d) Appropriated retained earnings

Established by retaining part of net income for the year, if any. Said retention is based on capital budget prepared by Management, approved by Shareholders in the Annual General Meeting and is intended to be used in the Company's future investments.

e) Dividends

Shareholders are entitled to mandatory dividends of 25% of net income for the year, adjusted in conformity with legal provisions.

Preferred shares are entitled to receive dividends per share that are 10% higher than dividends per share paid to common shares.

f) Earnings (losses) per share

In compliance with CPC 41, the Company presents the following statements on earnings (losses) per share for the quarters ended March 31, 2019 and 2018.

The basic earnings (losses) per share are calculated by dividing net income (loss) for the period, attributable to the holders of the parent company's common and preferred shares by the weighted average number of common and preferred shares outstanding during the year.

The following tables present the result data and shares used to calculate basic and diluted losses per share:

	03/31/2019			03/31/2018		
	Common shares	Preferred shares	Total	Common shares	Preferred shares	Total
Loss for the year	(51,702)	(51,698)	(103,400)	(24,280)	(19,767)	(44,047)
Weighted average shares (in thousands of shares)	11,793	11,792	23,585	834	679	1,513
Basic and diluted loss per share	(4,3841)	(4,3841)	(4,3841)	(29,1124)	(29,1124)	(29,1124)

For the quarter ended March 31, 2019, there is no difference between the calculation of basic and diluted losses, since there are no dilutive instruments.

18. Income and Social Contribution taxes

a) Reconciliation of Income and Social Contribution tax expenses

	Parent company			
	Income Tax		Social Contribution Tax	
	03/31/2019	03/31/2018	03/31/2019	03/31/2018
Loss before taxes	(100,995)	(43,414)	(100,995)	(43,414)
Add-backs				
Equity in earnings (losses) of subsidiaries	574	677	574	-
Realization sub-account dif. positive asset	-	4,049	-	4,049
Amortization, cost of loans raising	922	1,234	922	1,234
Exchange rate gains (losses) on loans	7,274	4,510	7,274	4,510
Other add-backs	314	2,987	314	3,664
Deductions				
Equity in earnings (losses) of subsidiaries	-	-	-	
Depreciation – Corporate x Tax differences	(8,148)	(8,129)	(8,148)	(8,129)
Other deductions	(65)	-	(65)	-
Adjusted loss	(100,124)	(38,086)	(100,124)	(38,086)
Applicable rates	25%	25%	9%	9%
Current Income and Social Contribution taxes	-	-	-	-
Tax debts accrued from deferred Income and Social Contribution taxes on temporary differences	(1,768)	(465)	(637)	(168)
Income and Social Contribution taxes in income (loss)	(1,768)	(465)	(637)	(168)

	Consolidated			
	Income Tax		Social Contribution Tax	
	03/31/2019	03/31/2018	03/31/2019	03/31/2018
Loss before taxes	(100,982)	(43,059)	(100,982)	(43,059)
ADD-BACKS				
Income (loss) from subsidiaries under deemed profit	-	580	-	580
Realization sub-account dif. positive asset	-	4,049	-	4,049
Amortization, cost of loans raising	922	1,234	922	1,234
Exchange rate gains (losses) on loans	7,274	4,510	7,274	4,510
Other add-backs	314	3,664	314	3,664
DEDUCTIONS				
Income (loss) from subsidiaries under deemed profit	(67)	-	(67)	-
Depreciation – Corporate x Tax differences	(8,148)	(8,129)	(8,148)	(8,129)
Other deductions	(65)	-	(65)	-
Adjusted loss	(100,752)	(37,151)	(100,752)	(37,151)
Applicable rates	25%	25%	9%	9%
Current IRPJ (Corporate Income Tax) and CSLL (Social Contribution Tax)	-	-	-	-
Current IRPJ and CSLL of subsidiaries – taxable income	-	-	-	-
IRPJ and CSLL – deemed profit	(9)	(32)	(4)	(14)
Tax debts accrued from deferred Income and Social Contribution taxes on temporary differences	(1,768)	(465)	(637)	(168)
Income and Social Contribution taxes in income (loss)	(1,777)	(497)	(641)	(182)

b) Breakdown of deferred Income and Social Contribution taxes

	Parent company and consolidated	
	03/31/2019	12/31/2018
Income and Social Contribution tax losses	135,285	135,285
Provisions for contingencies	241	241
Deferred Income (IR) and Social Contribution (CS) tax assets	135,526	135,526
Deferred IR and CS on temporary differences	(38,186)	(35,781)
Taxed transactions on cash basis - (exchange rate gains (losses))	(6,787)	(6,787)
Tax amortization of goodwill	(31,812)	(31,812)
Deferred IR and CS tax liabilities	(76,785)	(74,380)
	58,741	61,146

Considering expected generation of taxable income up to 2028, the Company recognized deferred Income and Social Contribution on the balance of tax losses and temporary differences. Deferred Income and Social Contribution on tax losses were not recognized, calculated as from the second half of 2015.

Income and Social Contribution tax losses have no statute of limitations, however, the Company may use only the amount equivalent to up to 30% of taxable income per year.

The Company realized part of the balance of deferred Income and Social Contribution taxes recognized on tax losses in 2014 and 2017.

19. Provisions for contingencies

The Company and its subsidiaries are parties to lawsuits and administrative proceedings incidental to its business, regarding tax, labor, civil and other issues. The Company, based on the opinion of its legal advisors, conducts an analysis of pending lawsuits and, forms a provision in an amount deemed sufficient to cover the estimated losses from ongoing lawsuits for those with expectation of probable loss.

As at March 31, 2019, the Company maintains a provision for contingencies arising from labor discussions whose likelihood of loss is probable, in the amount of R$ 709 (R$ 709 as at December 31, 2018). As at March 31, 2019, the Company has court deposits in the amount of R$ 9,341 (R$ 9,063 as at December 31, 2018).

	Parent company		Consolidated	
	03/31/2019	12/31/2018	03/31/2019	12/31/2018
Beginning balance	1,415	1,415	1,415	1,415
New	-	-	-	-
Concluded	(706)	(706)	(706)	(706)
Final balance	709	709	709	709

In addition, the Company and its subsidiaries are parties to civil, labor, and tax claims whose likelihood of an unfavorable outcome has been rated as possible by Management and its legal advisors. Therefore, no provision for contingencies was set up.

As at March 31, 2019, the amount of such contingencies was R$ 152,999 (R$ 152,999 as at December 31, 2018), as follows:

Nature	Parent company 03/31/2019	Parent company 12/31/2018	Consolidated 03/31/2019	Consolidated 12/31/2018
Tax contingencies	74,192	74,192	131,940	131,940
Labor contingencies	18,580	18,580	18,947	18,947
Civil contingencies	2,112	2,112	2,112	2,112
	94,884	94,884	152,999	152,999

20. Insurance coverage (unaudited)

The Company and its subsidiaries contract insurance coverage for its inventories and fixed asset items as Named-perils and Civil Liability Insurances. Aspects considered when evaluating risks are as follows: (a) decentralized location of industrial plants (Minas Gerais, Rio de Janeiro and São Paulo); (b) nature of activities; and (c) accident prevention measures. Maximum indemnity limit (LMI) - total is R$ 198,685 for the industrial plants.

The amounts of contracted coverage take into consideration estimates to cover possible losses in sites with concentrated risks and maximum possible claim loss in a single event.

The risk assumptions adopted, due to their nature, were established by Management.

21. Financial instruments and risk management

21.1 Analysis of financial instruments

The fair value of financial assets and liabilities is included in the value by which an instrument may be changed in a current transaction between the parties on an arm's length basis, and not in a sale and forced settlement. The following methods and assumptions were used to estimate fair value:

- Cash and cash equivalents, trade accounts receivable, trade accounts payable and other short-term obligations approximate their respective book value mostly due to maturity in short term of these instruments.

- Fair value of receivables does not significantly differ from book balances, since it is monetarily restated consistently with market rates and/or is adjusted by the provision for impairment.

Loans and financing bear fixed rates, which are consistent with those observable in the market; therefore, the book balances informed approximate their respective fair values.

The classification of financial assets of the Company and its subsidiaries per category is as follows:

	Parent company					
	03/31/2019			12/31/2018		
Financial assets	Amortized cost	Fair value through income (loss)	Total	Amortized cost	Fair value through income (loss)	Total
Cash and cash equivalents	383	-	383	1,451	-	1,451
Accounts receivable	19,308	-	19,308	17,094	-	17,094
Notes receivable	6,130	-	6,130	6,035	-	6,035
	25,821	-	25,821	24,580	-	24,580

	Consolidated					
	03/31/2019			12/31/2018		
Financial assets	Amortized cost	Fair value through income (loss)	Total	Amortized cost	Fair value through income (loss)	Total
Cash and cash equivalents	1,676	-	1,676	2,376	-	2,376
Accounts receivable	19,308	-	19,308	17,111	-	17,111
Notes receivable	9,544	-	9,544	9,421	-	9,421
	30,528	-	30,528	28,908	-	28,908

21.2. Classification of financial instruments by category

The main financial liabilities of the Company and its subsidiaries may be classified as loans and financing accounted for at fair value through income (loss), as follows:

	Parent company	
Financial liabilities	03/31/2019	12/31/2018
Trade accounts payable	32,869	26,146
Loans and financing	1,946,663	1,865,575
Related-party transactions	16,114	16,173
	1,995,646	1,907,894

	Consolidated	
Financial liabilities	03/31/2019	12/31/2018
Trade accounts payable	33,331	27,568
Loans and financing	1,946,663	1,865,575
	1,979,994	1,893,143

21.3. Risk management

The financial transactions of the Company and its subsidiaries are previously approved by the Company's Management and performed through the finance area according to conservative strategies, aiming at safety, profitability and liquidity. Hedging mechanisms are adopted against financial risks stemming from liabilities contracted, either in foreign or domestic currency, in order to manage exposure to exchange and interest rate risks.

Criteria for selection of financial institutions obey parameters that take into consideration rating made available by renowned agencies of analysis of risk, equity, and concentration levels of transactions and resources. The main market risk factors that could affect Company business and that of its subsidiaries are as follows:

a) Exchange rate risk

Exchange rate risks are related to the possibility of the Company incurring losses derived from fluctuations in exchange rates.

The Company's liabilities are indexed at US dollar, therefore, the unpredictability of floating liabilities substantially derives from foreign exchange variation, as shown in simulation of future values considering devaluation of Brazilian Real before US dollar by 25% and 50%.

		Sensitivity analysis	
Foreign currency loans	Amount in R$	(Scenario I) Future value I	(Scenario II) Future value II
Notes - US$ 185,000	720,889	901,111	1,081,333
Agricultural Bank of China - US$ 15,391	59,974	74,967	89,961
Tupacta – US$ 119,691	466,400	583,000	699,600
Cemrock and Brown Brothers – US$ 2,543	9,909	12,386	14,863

b) Credit risk

Financial instruments are subject to credit risks such as cash and cash equivalents and trade accounts receivable. All operations are conducted with banks having acknowledged liquidity, thus minimizing risks.

The risk of incurring losses resulting from difficulty in receiving values billed to its clients is minimized, since sales are dispersed among a high number of clients, and contingent to a credit limit individually established per client.

c) Interest rate risk

This risk derives from the possibility of the Company incurring losses due to fluctuations in interest rates that increase financial expenses mainly stemming from loans.

d) Liquidity risk

Liquidity risk represents the risk of scarcity and difficulty of the Company to pay its debts. The Company and its subsidiaries seek to align the maturity of its debts with the period of cash generation to avoid a mismatch and generate the need of greater leverage.

The following table shows in detail the remaining contractual maturity of the main financial liabilities of the Company and the contractual amortization terms. This table was prepared in accordance with the undiscounted cash flows of financial assets and liabilities based on the nearest date on which the Company and the its subsidiaries shall settle the respective obligations.

	Parent company			
	Up to a year	From 1 to 3 years	Over 3 years	Total at 03/31/2019
Loans and financing	1,418,937	-	527,726	1,946,663
Trade accounts payable	32,869	-	-	32,869
Advances from clients	6,793	-	-	6,793
Other financial liabilities	129,168	20,360	5,610	155,138
Balance as at March 31, 2019	1,587,767	20,360	533,336	2,141,463

	Consolidated			
	Up to a year	From 1 to 3 years	Over 3 years	Total at 03/31/2019
Loans and financing	1,418,937	-	527,726	1,946,663
Trade accounts payable	33,331	-	-	33,331
Advances from clients	6,793	-	-	6,793
Other financial liabilities	115,365	21,733	6,194	143,292
Balance as at March 31, 2019	1,574,426	21,733	533,920	2,130,079

22. Net operating revenue

	Parent company		Consolidated	
	03/31/2019	03/31/2018	03/31/2019	03/31/2018
Gross sales				
Sales of goods	71,196	68,723	71,289	68,723
Deductions from sales	(18,902)	(18,225)	(20,199)	(19,619)
Sales returns	(185)	(141)	(185)	(141)
ICMS on sales	(12,153)	(11,740)	(12,707)	(12,426)
PIS and COFINS on sales	(6,564)	(6,344)	(7,292)	(7,037)
Others	-	-	(15)	(15)
Net operating revenue	52,294	50,498	51,090	49,104

23. General and administrative expenses

	Parent company		Consolidated	
	03/31/2019	03/31/2018	03/31/2019	03/31/2018
Administrative personnel expenses	(3,710)	(3,826)	(3,737)	(3,909)
Lawyers' fees	(1,291)	(926)	(1,294)	(930)
Lease of properties/vehicles/equipment	(68)	(59)	(76)	(96)
Travel expenses	(93)	(95)	(99)	(109)
Third-party/consulting services	(711)	(691)	(734)	(707)
Others	(727)	(726)	(828)	(1,001)
	(6,600)	(6,323)	(6,768)	(6,752)

24. Other operating revenues (expenses), net

	Parent company		Consolidated	
	03/31/2019	03/31/2018	03/31/2019	03/31/2018
Write-off of fixed assets/ investments	(427)	587	(411)	587
PIS/COFINS credit	153	1,171	153	1,171
ICMS installment payment	-	-	-	-
Inventory adjustment	(168)	-	(168)	-
Others	(1,120)	265	(1,072)	884
	(1,562)	2,023	(1,498)	2,642

25. Financial income (loss)

	Parent company		Consolidated	
	03/31/2019	03/31/2018	03/31/2019	03/31/2018
Financial expenses				
Interest on loans	(29,338)	(19,881)	(29,338)	(19,881)
Interest/ fines on tax installment payments	(1,043)	(1,856)	(1,047)	(1,856)
Discounts granted	(198)	(721)	(198)	(721)
Contract interest - Finame	(46,526)	(5,099)	(46,526)	(5,099)
Exchange rate gains (losses) on loans	(7,271)	(4,504)	(7,271)	(4,504)
Other financial expenses	(57)	(1,900)	(56)	(1,943)
	(84,433)	(33,961)	(84,436)	(34,004)

	Parent company		Consolidated	
	03/31/2019	03/31/2018	03/31/2019	03/31/2018
Financial revenues				
Discounts obtained	104	81	104	81
Interest on financial investments	4	3	24	23
Interest received from customers	200	244	200	244
Other financial revenues	108	253	136	402
	416	581	464	750
	(84,017)	(33,380)	(83,972)	(33,254)

26. Segment reporting

Management groups entities into two distinct segments:

a) Cement

This segment is mainly engaged in manufacturing cements and mortars of all types in the Company's manufacturing units.

b) Development and administration of properties

This segment is mainly engaged in developing and administrating properties.

Management monitors, on a separate basis, operating income (loss) of its business units for the purpose of making decisions on allocation of funds and performance assessment.

The performance of the segment is appraised based on the operating result, measured in a manner consistent with the operating result of the consolidated financial information.

The Company's segment information is as follows:

	03/31/2019				
	Cement	Development and administration of properties	Others	Eliminations	Total consolidated
Net revenue	52,294	74	6.566	(7,844)	51,090
Gross profit (loss)	(5,572)	36	(538)	-	(6,074)
Depreciation and amortization	(5,004)	-	(406)	-	(5,410)
Operating income (loss)	(16,404)	28	(634)	-	(17,010)
Financial income (loss)	(84,017)	38	7	-	(83,972)
Equity in earnings (losses) of subsidiaries	(574)	-	-	574	-
Income (loss) before taxes	(100,995)	66	(627)	574	(100,982)
Income and Social Contribution taxes	(2,405)	(13)	-	-	(2,418)
Minority interest	-	-	-	-	-
Net income (loss)	(103,400)	53	(627)	574	(103,400)
Current assets	78,843	22,777	3,859	(2,405)	103,074
Noncurrent assets	848,546	16,105	47,462	(99,132)	812,981
Current liabilities	1,587,767	457	5,822	(19,620)	1,574,426
Noncurrent liabilities	553,696	221	1,736	-	555,653

	03/31/2018				
	Cement	Development and administration of properties	Others	Eliminations	Total Consolidated
Net revenue	50,498	-	6,101	(7,495)	49,104
Gross profit (loss)	(2,814)	(534)	(104)	-	(3,452)
Depreciation and amortization	(5,092)	-	(321)	-	(5,413)
Operating income (loss)	(9,357)	(739)	291	-	(9,805)
Financial income (loss)	(33,380)	158	(32)	-	(33,254)
Equity in earnings (losses) of subsidiaries	(677)	-	-	677	-
Income (loss) before taxes	(43,414)	(581)	259	677	(43,059)
Income and Social Contribution taxes	(633)	(46)	-	-	(679)
Minority interest	-	-	-	(309)	(309)
Net income (loss)	(44,047)	(627)	259	368	(44,047)
Current assets	71,530	21,719	3,006	(2,803)	93,452
Noncurrent assets	822,501	16,695	48,118	(105,722)	781,592
Current liabilities	1,215,635	157	2,850	(21,760)	1,196,882
Noncurrent liabilities	49,670	-	1,211	(1,495)	49,386

27. Subsequent events

Until the present date, there were no other events that may significantly affect the financial statements or the Company's operations.